



# House of Representatives

General Assembly

**File No. 205**

*January Session, 2007*

Substitute House Bill No. 7253

*House of Representatives, March 29, 2007*

The Committee on Energy and Technology reported through REP. FONTANA, S. of the 87th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING MUNICIPAL ALTERNATIVE ENERGY INVESTMENT GRANTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (*Effective July 1, 2007*) (a) For the purposes described in  
2       subsection (b) of this section, the State Bond Commission shall have  
3       the power, from time to time, to authorize the issuance of bonds of the  
4       state in one or more series and in principal amounts not exceeding in  
5       the aggregate one hundred million dollars.

6       (b) The proceeds of the sale of said bonds, to the extent of the  
7       amount stated in subsection (a) of this section, shall be used by  
8       Connecticut Innovations, Incorporated, for the purpose of providing  
9       grants-in-aid pursuant to section 2 of this act.

10       (c) All provisions of section 3-20 of the general statutes, or the  
11       exercise of any right or power granted thereby, which are not  
12       inconsistent with the provisions of this section are hereby adopted and

13 shall apply to all bonds authorized by the State Bond Commission  
14 pursuant to this section, and temporary notes in anticipation of the  
15 money to be derived from the sale of any such bonds so authorized  
16 may be issued in accordance with said section 3-20 and from time to  
17 time renewed. Such bonds shall mature at such time or times not  
18 exceeding twenty years from their respective dates as may be provided  
19 in or pursuant to the resolution or resolutions of the State Bond  
20 Commission authorizing such bonds. None of said bonds shall be  
21 authorized except upon a finding by the State Bond Commission that  
22 there has been filed with it a request for such authorization which is  
23 signed by or on behalf of the Secretary of the Office of Policy and  
24 Management and states such terms and conditions as said commission,  
25 in its discretion, may require. Said bonds issued pursuant to this  
26 section shall be general obligations of the state and the full faith and  
27 credit of the state of Connecticut are pledged for the payment of the  
28 principal of and interest on said bonds as the same become due, and  
29 accordingly and as part of the contract of the state with the holders of  
30 said bonds, appropriation of all amounts necessary for punctual  
31 payment of such principal and interest is hereby made, and the State  
32 Treasurer shall pay such principal and interest as the same become  
33 due.

34 Sec. 2. (NEW) (*Effective from passage*) (a) There is established an  
35 account to be known as the "municipal renewable energy and efficient  
36 energy grant account", which shall be a separate, nonlapsing account  
37 within the Renewable Energy Investment Fund, established pursuant  
38 to section 16-245n of the general statutes. The account shall contain any  
39 moneys required or permitted by law to be deposited in the account  
40 and any funds received from any public or private contributions, gifts,  
41 grants, donations, bequests or devises to the fund. Connecticut  
42 Innovations, Incorporated, may make grants-in-aid from the fund in  
43 accordance with the provisions of subsection (b) of this section.

44 (b) Connecticut Innovations, Incorporated, in consultation with the  
45 Department of Public Utility Control, the Department of Education  
46 and the Department of Emergency Management and Homeland

47 Security, shall establish a municipal renewable energy and efficient  
48 energy generation grant program. Connecticut Innovations,  
49 Incorporated, shall make grants under said program to municipalities  
50 for the purchase of (1) renewable energy sources, including solar  
51 energy, geothermal energy and fuel cells or other energy-efficient  
52 hydrogen-fueled energy, or (2) energy-efficient generation sources,  
53 including units providing combined heat-and-power operations with  
54 greater than sixty-five per cent efficiency or such higher efficiency level  
55 as Connecticut Innovations, Incorporated, may prescribe, for  
56 municipal buildings. Connecticut Innovations, Incorporated, shall give  
57 priority to applications for grants for disaster relief centers and high  
58 schools. Each grant shall be in an amount that makes the cost of  
59 purchasing and operating the renewable energy or energy-efficient  
60 generation source competitive with the municipality's current  
61 electricity expenses.

62 (c) On or before October 1, 2007, Connecticut Innovations,  
63 Incorporated, shall develop an application for grants-in-aid under this  
64 section for the purpose of purchasing and operating renewable energy  
65 or energy-efficient generation sources and may receive applications  
66 from municipalities for such grants-in-aid on and after said date.  
67 Applications shall include, but not be limited to, a complete  
68 description of the proposed renewable energy or energy-efficient  
69 generation source.

70 (d) Commencing with the fiscal year ending June 30, 2008, and for  
71 each of the nine consecutive fiscal years thereafter, until the fiscal year  
72 ending June 30, 2017, not less than ten million dollars shall be available  
73 from the municipal renewable energy and efficient energy grant  
74 account for grants-in-aid to municipalities for the purpose of  
75 purchasing and operating renewable energy or energy-efficient  
76 generation sources. Any balance of such amount not used for such  
77 grants-in-aid during a fiscal year shall be carried forward for the fiscal  
78 year next succeeding for such grants-in-aid.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2007</i>	New section
Sec. 2	<i>from passage</i>	New section

***ET******Joint Favorable Subst.***

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
CT Innovations Inc. (quasi-public)	SF - Cost	See Below	See Below
Treasurer, Debt Serv.	GF - Cost	See Below	See Below
Emergency Management and Homeland Security, Dept.	GF - Cost	Potential	Potential

Note: SF=Special Fund (Non-appropriated); GF=General Fund

#### **Municipal Impact:**

Municipalities	Effect	FY 08 \$	FY 09 \$
Various Municipalities	Revenue Gain	Potential	Potential

### **Explanation**

The bill authorizes the issuance of \$100 million in General Obligation (GO) bonds for grants-in-aid for the municipal projects related to renewable energy and efficient energy generation. The General Fund debt service cost to bond this amount over 20 years at 5.0% interest rate is \$152.5 million.

It is estimated that the Connecticut Innovations Inc. (CII) will require a program manager at a cost of \$130,000 a year for salary, fringe benefits and associated other expenses to administer the program. Costs are anticipated to be paid through CII operating or program funds.

Depending on the extent to which the Department of Emergency Management and Homeland Security (DEMHS) is required to consult with CII and assist in the grant to municipalities, the bill could result in a potential cost to the agency associated with the hiring of staff.

Municipal recipients of the grant-in-aid program will incur a

revenue gain.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

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**OLR Bill Analysis**

**sHB 7253**

***AN ACT CONCERNING MUNICIPAL ALTERNATIVE ENERGY  
INVESTMENT GRANTS.***

**SUMMARY:**

The Office of Legislative Research does not analyze Special Acts.

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute

Yea 19 Nay 1 (03/13/2007)